



**Office of the Attorney General
Paul G. Summers**

**Department of Commerce and Insurance
Commissioner Anne Pope**

NEWS RELEASE

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**OHIO-BASED ENERGY COMPANY TO PAY \$700,000 IN AGREEMENT WITH
TENNESSEE, SEVEN OTHER STATES**

Tennessee Attorney General Paul G. Summers and David A. McCollum, the Director of the Division of Consumer Affairs, today announced that Level Propane Gases Inc. of Westlake, Ohio, will pay \$700,000 and consumer restitution to Tennessee and seven other states as part of a joint agreement.

Level Propane allegedly failed to honor its contracts, price guarantees and delivery schedules and charged hidden fees, impacting thousands of consumers in eight states, including Tennessee. The joint agreement ends a 10-month, multi-state investigation into the company's alleged illegal and deceptive business practices. It also includes an automatic \$500,000 civil penalty if the states determine that Level has failed to comply with the terms of the agreement in the future.

"Consumers complained they were trapped in a contract that increased rates, cut services and prohibited them from easily obtaining propane elsewhere," Attorney General Paul G. Summers said.

Among the allegations, the states contend that Level Propane:

- *Failed to comply with its contracts and charging consumers fees to terminate the agreements.
- *Charged a different price for propane at the time of delivery than the price quoted.
- *Automatically increased the per-gallon price of propane at the renewal of the contract and refilling the tank without customer authorization.
- *Failed to clearly disclose its "underutilization fee" for customers who did not use a specific amount of propane during the term of the contract.
- *Failed to provide properly sized tanks to prevent customers from incurring the "underutilization fee."
- *Used contracts that are deceptive or that allow the company to modify the terms.

Under the terms of the settlement, Level Propane denies the states' charges. Level Propane is permanently enjoined from violating the states' consumer protection laws and specific terms of the agreement relating to prices, timely delivery and other services.

"This agreement benefits consumers and permanently changes the way Level Propane conducts business," General Summers said. "Now, customers will receive refunds or credits, prompt delivery, new contracts with clear terms and conditions and a guarantee that no one will be charged above the written price for fuel or services."

General Summers said the agreement also requires Level to pay partial or full restitution to eligible customers. An independent accountant and notification administrator, approved by the states, will implement the consumer notification and restitution program. If you think that you are due a refund, you may contact the Division of Consumer Affairs at 1-800-342-8385.

In addition to other penalties and business restrictions, Level will also pay \$700,000 to the states for investigation costs, consumer education or other public protection purposes.

"This agreement is yet another example of the protection the Division of Consumer Affairs and the Attorney General provide to Tennessee consumers," said David A. McCollum, Tennessee Consumer Affairs Director. "Tennesseans should always inform the Division of Consumer Affairs if they feel they have been the victim of unfair or deceptive business practices."

Besides Tennessee, other states involved in the action are Arizona, Indiana, Iowa, Missouri, New Mexico, Pennsylvania and Wisconsin.